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Changing Culture to Facilitate Organisational Change: A Case Study

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ABSTRACT

As the pace of change continues, the ability of individuals to change their ways of working in order to incorporate new skills and knowledge becomes critical to individual and organisational success. The aim of this paper is to highlight the importance of culture change to the overall organisational change and development process, using a case study of a not-for-profit organisation. No other single factor was mentioned as often, or was reported to have had as much impact on the change efforts as the culture within the organisation. The findings reinforce the often espoused theory that providing a supportive and inclusive culture provides a sound foundation for organisational change.

Keywords: Unlearning, organisational change, learning, not-for-profit organisation, convergent interviewing, case study

INTRODUCTION

Change and transitions are commonplace in most work organisations today. Very few are untouched by changes in market demands, consumer and stakeholder demands or demographics. Such changes require employees to become adept at accepting change as a way of organisational life. It has been identified that even with a wide range of models and processes for organisational change, there is still a high failure rate in relation to change, and at the least, organisational change is failing to deliver optimum performance outcomes (Balogun & Jenkins, 2003). It is suggested that often, lack of consideration of organisational culture and its impact on change efforts is a reason for this lack of success (Heracleous, 2001). As Valentino & Brunelle (2004:402) state, “although the concepts of culture are abstract, they turn out to be highly related to creating effective organizational change”. Given this widely recognised situation, this research sought to understand the important factors in the eyes of employees involved in a recent workplace change that is proving to be successful.

The organisation involved has undergone transformational change as a result of the introduction of a new General Manager in an attempt to turn around the struggling operation. Whilst the changes are far from over, the restructured organisation and the many changes implemented are beginning to see returns in the eyes of the governing body, in the eyes of management, and perhaps most importantly, in the eyes of the staff. The most widely emphasised issue during interviews with the staff, was the impact of a change in culture on overall change efforts.

This paper looks firstly at the existing literature on organisational culture and its impact on change efforts. In particular, the issue of resistance as a component of change is discussed. The case study organisation is then discussed to provide a background to the changes, prior to analysis of the interviews conducted with employees. Some common themes particularly in relation to the impact of culture on change efforts are identified. The aim of this paper is to provide further insight into the significant role culture plays in organisational change; and not simply at the broader, strategic level, but at the day-to-day level of messages sent via the actions and behaviours of individuals and particularly management. Examples of failed change programs abound. This case study provides a unique view of a successful change program, where inclusive management has made a difference.

LITERATURE

Given the rapid pace of change, and the fact that organisations as a result need to adapt to these changes, those able to adapt to a changing environment and changing demands are generally considered to have a strategic advantage over those less agile. When considering organisational change however, there are a number of different types of change that have been identified, and as a result of this, the resulting implications for the organisation also vary. The nature of change and different approaches to change will be considered further.

Several researchers working in the area have attempted to categorise change. For example, Stace & Dunphy (1996) discuss the difference between incremental or discontinuous change or, in other words, continuous improvement versus radical transformation. This terminology is now widely accepted and referred to by many researchers in the area (Graetz, Rimmer, Lawrence, & Smith, 2002; Hayes, 2002). Regardless of the exact term chosen, incremental change or continuous improvement are small changes implemented over a period of time, building on existing practices within the organisation. Discontinuous change or radical transformation is change within the organisation that could be considered a significant departure from current or existing practices and procedures, often within a relatively short space of time (Graetz et al., 2002). Stace & Dunphy (1996) offer a slightly different

way of categorising change by focussing not on the “level” of change as an indicator, but the target of change. It is suggested that organisations can either focus on changing culture or changing structure; what could be described as the intangible versus the tangible. In the case study organisation, the changes encountered are considered to be transformational, involving a change in culture, but facilitated in part by a change in structure.

Having considered the different types of organisational change encountered, it is also important to review the different models offered to manage such changes. One of the most widely recognised models was that proposed by Lewin (1951 cited in Waddell, Cummings, & Worley, 2004) suggesting that there exists three stages in the transition process: unfreezing, moving and refreezing. The unfreezing stage involves preparation for change and ensuring a level of readiness within the organisation to cope with the pending change. At the moving stage, the organisation is actually implementing the planned changes; and finally at the refreezing stage, the changes made are being institutionalised to ensure they endure. Lewin’s model has been criticised by many as being too simplistic. Barrett et al (1995) suggest that change is more “dynamic and recursive” than Lewin depicted by the three stage model which they consider to be “linear and static” (Barrett et al., 1995:370). However, this basic process can often be seen to underlie more complex models of organisational change, and has also been the basis of various adaptations.

Mento et al (2002) also offers a framework for change based upon three change management processes; Kotter’s 8 step model (Kotter, 1995), Jick’s 10 step model (cited in Mento et al., 2002), and GE’s change acceleration process (Mento et al., 2002). These have been developed into a 12 step framework for change as follows; the idea and its context, define the change initiative, evaluate the climate for change, develop a change plan, find and cultivate a sponsor, prepare your target audience (the recipients of change), create the cultural fit (making the change last), develop and choose a change leader team, create small wins for motivation, constantly and strategically communicate the change, measure progress of the change effort, and integrate lessons learned.

The model offered by Mento et al (2002) is not dissimilar to several that have been identified within the change management literature, however in terms of considering individuals in the context of organisational change and learning, it makes a few distinctions that are worth noting. Firstly, within step four, developing a change plan, Mento et al (2002) makes the point that there is a need to tailor the approach to change recognising that individuals carry mental models or frames of reference which effect change efforts, and that the level of an individual's openness can have an impact on the level of resistance encountered. Importantly, it is recognised, "resistance is a natural emotion that must be dealt with and not avoided. If one can look at the positive aspects of resistance to change, by locating its source and motives, it can open further possibilities for realising change" (Mento et al., 2002:53). This is an important recognition of the emotional aspects of change within organisations, and marks a change from the belief that as long as a rational explanation and compelling reason for change is provided, then change will occur.

As Goodstone & Diamante (1998) emphasise, it is not sufficient to believe that giving individuals information that indicates the need for change will in fact make them change. If organisations require behavioural change at an individual level in order to change at an organisational level, the issues of the emotional impact of change cannot be ignored. Abraham & Knight (2001:25) suggest there are three conditions required in order to assist significant change "a compelling case for change, a will for change, and an effective approach to execute the transformation"; again emphasising that a rational argument for change is insufficient, but must be backed up by the will of participants and an effective approach. The case study in this paper provides an illustration of the provision of compelling reasons for change and more importantly, the ongoing support required to overcome resistance and assist employees to accept if not embrace change.

It is important to consider the possible underlying causes of resistance to change in the workplace. At an individual level, Macri et al (2002) suggest that motivation and willingness to change can be impacted by perceptions; the change needs to be seen as desirable and necessary. Zell (2003) summarises the potential reasons for resistance to change from a number of researchers as including

“fear of the unknown, disruption of routine, loss of control, loss of face, loss of existing benefits..”

(Zell, 2003:74) just to name a few. From a different perspective, Ford et al (2002) suggest that resistance encountered is not resistance to the change itself, but is generated by the “background conversations” within the organisation. In essence, suggesting that underlying cultural issues may in fact cause resistance. Schein (1996) likewise suggests that organisational culture has long been ignored or at least underestimated in organisational studies.

There have been a number of researchers identify methods and approaches to overcoming individual and group resistance within organisational change processes. The role of leader and effective leadership as being crucial for successful change (Block, 2003; Lung & Braithwaite, 1992; Pearlmutter, 1998), and in particular, the role of middle management is seen as crucial (Valentino & Brunelle, 2004). Likewise, Macri et al (2002) also emphasise the role of management in overcoming possible resistance to change, whilst also highlighting the fact that emotional capability can also play a key role in the level of resistance encountered. Diamond (1996) advocated the use of a “transitional space” within the change process to allow for individuals to work through change issues, and to allow for resistance to be overcome. This was an attempt to encourage “grieving over the way things were and then letting go of the old way and trying on the new way...” (Diamond, 1996:225). Zell (2003) also advocates the use of dialogue and discussion as a way of dealing with change and encouraging “letting go” of old ways.

RESEARCH AIMS AND OBJECTIVES

The case study provided in this paper is part of a larger study focussing on individuals and how they relinquish past knowledge and abilities in order to adopt new methods. However, the convergent interviews conducted as part of this study provided a unique opportunity to reflect on the culture being developed within the organisation, and the link to the success of the change efforts to date. A background to the organisation is provided, before providing analysis of the interviews conducted with four operational employees within the organisation.

Methodology and Sampling

This research took an exploratory case study approach and utilised convergent interviewing as the data collection method. Case studies such as these allow for the generation of hypotheses on a particular phenomenon which can then be used as the basis for further research (Yin, 1994). Case studies also have the ability to probe deeply complex phenomena being considered in an attempt to reach some generalisations (Burns, 2000). Using purposeful sampling, an organisation was chosen based upon the researcher's knowledge of recent large-scale changes encountered in this particular organisation.

Upon acceptance of the invitation to be involved, a meeting was conducted with the General Manager and the Human Resources Manager to obtain an understanding of the changes encountered, and to gather background data. The Human Resources Manager had invited two different individuals within the organisation to be involved. They were then asked to nominate another person who they believed had been affected differently to them by the change, making a total of four participants who were then participants in a convergent interviewing process. Convergent interviewing is an iterative process whereby the actual content of the interview is not structured but left to the participant to direct (Dick, 1990). In contrast, the process of interviewing and across interviews is relatively structured. As interviews progress, the objective is to identify areas of agreement and disagreement between participants until convergence occurs; both within the interviews and across interviews, and any divergence remaining can be adequately explained.

Each interview was recorded, transcribed and for this particular paper, the issues relating to organisational culture have been analysed. Also in line with the convergent interviewing process, both during interviews and between interviews, areas of convergence and divergence were identified and explored. The findings of these interviews are discussed and conclusions are drawn about the impact of a change in culture on the success of organisational change.

THE CASE STUDY

The Organisation

The organisation is a commercial laundry located in an Australian capital city, and has been in operation since 1889. It is owned by a religious organisation and is a not-for-profit entity. It provides employment for individuals with intellectual disabilities referred from a government agency. These employees are referred to as “business service employees” within the organisation, however the organisation also has what they refer to as “mainstream” staff; those who are not employed through the agency but directly from the general population. The organisation employs approximately 140 mainstream staff (some part time and a small number of casuals) and 38 business service employees. All interviews for this study were conducted with mainstream employees to ensure informed consent could be gained.

The organisation keeps no official labour turnover figures, however the Human Resources Manager reported that there are a large number of long term employees particularly at the operational level. At the management level however, there have been significant changes recently with the introduction of a new General Manager and appointment of a new senior management team. These major changes were instigated by the governing body, because of concerns with the ongoing viability of the organisation. The new General Manager was employed with the mandate of analysing the business and identifying whether it was possible to salvage the business given the operational losses being incurred. In addition, the operation was encountering issues of variable quality, process bottlenecks and as a result, client dissatisfaction. As a result of this mandate to review the organisation, following a thorough analysis of the operation, the General Manager implemented a change in organisational structure and accompanying roles and responsibilities to more effectively ensure ownership of processes; in essence, a change in culture. The implementation of a new roster system based upon input and feedback from staff transferred the laundry to seven day operations and has proved successful in addressing issues of throughput.

In the context of these changes, interviews were conducted with four participants; two in supervisory positions and two in operational positions. In their interviews, they provided information not only about the changes made in relation to the roster system and changed roles and responsibilities of the supervisors, but their comments also highlighted the way they came to terms with a new culture in the organisation as a result of changed leadership. The fact that previous General Managers were knowledgeable in the processes and operations of a commercial laundry, whereas the new General Manager had more of a marketing and business focus, had a significant impact on the culture of the organisation. The supervisors were also being encouraged to take more of a leadership role and were given substantially more operational information than previously. For example, they mentioned now understanding operational outcomes such as output per operator hour and how that has been positively impacted by the change in roster, and is a direct reflection of the changes made to how they as supervisors staff the operation. Hence, not only can the data be looked at in terms of operational changes, but can also be analysed in terms of changes relating to changing organisational culture, leadership styles and management expectations.

Interview Data and Findings

Considering firstly the existence of an emotional element to organisational change, all participants noted in some way the reactions of themselves or others when the changes first began to be discussed. One participant referred to the history of the organisation and staff feeling shocked by a change of management style given this lengthy history. This participant noted many times during the interview, her emotional reactions such as “shock” to the change particularly during the early stages of the change process. For another, it was clear he was still coming to terms with the redefinition of a first-level managerial role as opposed to a purely operational role and admitted to being wary at first of the impending changes. Another identified that although she recognised the need for change, she still reported initial emotions of anger and frustration (not only from herself but also others), and noted a level of resistance to new ways of doing things. All these serve to reinforce arguments that ignoring the emotional nature of change will be detrimental to change efforts (Diamond, 1996; Goodstone & Diamante, 1998)

Even though the changes could be foreseen, with one participant noting that he always thought “this place” could do well but needed someone to stay long enough to settle it down, there were still feelings of concern and initial resistance. As Zell (2003) noted, the reasons for such resistance may simply be a comfort with existing routines and a fear of the unknown. One participant expressed a feeling of being “on top of things” whereas previously when there were breakdowns for example, it took weeks to catch up and staff came in every morning thinking they would never catch up. He believes that the changes, although resisted at first, means that staff no longer feel under pressure. Being able to see outcomes has assisted in addressing the initial reactions of resistance and provides some indication that the leadership also played a major role in the successful change initiatives.

Leadership both at a strategic, senior level and at middle management level is highlighted in the literature as also playing a key role (Block, 2003; Valentino & Brunelle, 2004). Two of the participants were in middle management roles and explained the changes in the nature of their work. They now have roles that rely more heavily on working together, which has overcome the demarcation that previously existed between different sections of the operation. Whilst the more experienced talked about the challenges of working with developing supervisors, they also acknowledged their responsibility to pass on information to ensure the overall effective running of the operation. Communication between the management team and the staff was highlighted by all participants as contributing heavily to the success of the changes.

In terms of the senior leadership in the organisation, it was recognised that the particular style of the new management team had also facilitated changes. Although wary at first of the new managers, all four participants noted the benefits of sharing of information about the organisation and its status, and even at an operational level, employees showed an understanding of business outcomes such as production outputs.

“Put it to you this way, we have a kilo per operator hour... before we started this roster, I think our kilo per operator hour was only a lousy 23... we started this roster and it probably dropped to 18... we’re now sitting on 37”

In addition, it was clear that by their actions, the management team was delivering on promises and showing support of staff.

“Communication played a key part.. but also even though we had new management, we sort of realised.. that no matter what we did, they actually still supported us”

“all of the little things that our manager’s said that he’s going to do, he has succeeded and done...”

“(Manager) also very good – he will walk around and talk to people – he’ll chat and not say you need to go back to work – people see he cares and that make a difference”

“we sort of know where we’re going now, we can see a direction... whereas before we were just in a big mess going nowhere”

This focus on the leadership then leads to the creation of a changed culture, and the fact that even though there was initial resistance to the changes, the employees felt an open, supportive and inclusive culture was evolving. The involvement of one of the participants in the development of the new roster system, and being encouraged to seek feedback from other operational staff to find a solution to the staffing problems was seen as a positive step. This backs up the previous findings of Lines (2004) that involvement and consultation about change enables success at the implementation stage.

The participants provided an indication that even though working at an operational level, through a new management style of sharing of information, they have become more aware of business outputs hence reinforcing the need for change. The new management team was also seen as encouraging staff to try new ways, and all participants referred to a supportive work environment making a positive contribution whilst changing from the old ways of working.

“.. they’re [management] easy to talk to and ... approachable... but the other ones [previous managers]I found that I couldn’t go up and say hey look you know.. can you help me with this?”

One of the supervisors identified improved morale as staff were able to see the results of the change; believing that this in turn provided further incentive continue using new ways. In particular, one of the participants noted the change in organisational culture supported the changes being made and allowed for communication between those in similar roles and the ability to discuss practices between individuals in order to learn new ways of handling issues.

“... so basically just having the freedom of discussion and ... knowing that we could make choices ... and ... we weren’t gonna be told it was no good, we just had that freedom to keep trying ...”

CONCLUSION

The case study in this research provides some reassurances to those seeking to implement organisational change. Even though the participants at no stage intimated an immediate embracing of the mooted changes, it was apparent that through the creating of a supportive culture via inclusive and participative management, change can result in more effective outcomes. This case study shows how “new leadership, altering policies, structure, behaviour, and beliefs are paramount to successfully change ... organisational culture” (Sims, 2000:65). Although this is not the end of the changes, it is apparent that the evolving organisational culture will make a difference to the ease of change efforts in future.

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